

SECOND REGULAR SESSION

SENATE BILL NO. 1068

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

4931S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto seven new sections relating to exemptions from certain regulations for the purposes of economic development.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto
2 seven new sections, to be known as sections 620.3900, 620.3905,
3 620.3910, 620.3915, 620.3920, 620.3925, and 620.3930, to read
4 as follows:

620.3900. 1. Sections 620.3900 to 620.3930 shall be
2 known and may be cited as the "Regulatory Sandbox Act".

3 2. For the purposes of sections 620.3900 to 620.3930,
4 the following terms shall mean:

5 (1) "Advisory committee", the general regulatory
6 sandbox program advisory committee created in section
7 620.3910;

8 (2) "Applicable agency", a department or agency of the
9 state that by law regulates a business activity and persons
10 engaged in such business activity, including the issuance of
11 licenses or other types of authorization, and which the
12 regulatory relief office determines would otherwise regulate
13 a sandbox participant. A participant may fall under
14 multiple applicable agencies if multiple agencies regulate
15 the business activity that is subject to the sandbox program
16 application;

17 (3) "Applicant" or "sandbox applicant", a person or
18 business that applies to participate in the sandbox program;

19 (4) "Consumer", a person who purchases or otherwise
20 enters into a transaction or agreement to receive a product
21 or service offered through the sandbox program pursuant to a
22 demonstration by a program participant;

23 (5) "Demonstrate" or "demonstration", to temporarily
24 provide an offering of an innovative product or service in
25 accordance with the provisions of the sandbox program;

26 (6) "Department", the Missouri department of economic
27 development;

28 (7) "Innovation", the use or incorporation of a new
29 idea, a new or emerging technology, or a new use of existing
30 technology to address a problem, provide a benefit, or
31 otherwise offer a product, production method, or service;

32 (8) "Innovative offering", an offering of a product or
33 service that includes an innovation;

34 (9) "Product", a commercially distributed good that is:

35 (a) Tangible personal property; and

36 (b) The result of a production process;

37 (10) "Production", the method or process of creating
38 or obtaining a good which may include assembling, breeding,
39 capturing, collecting, extracting, fabricating, farming,
40 fishing, gathering, growing, harvesting, hunting,
41 manufacturing, mining, processing, raising, or trapping a
42 good;

43 (11) "Regulatory relief office", the office
44 responsible for administering the sandbox program within the
45 department;

46 (12) "Sandbox participant" or "participant", a person
47 or business whose application to participate in the sandbox

48 program is approved in accordance with the provisions of
49 section 620.3915;

50 (13) "Sandbox program", the general regulatory sandbox
51 program created in sections 620.3900 to 620.3930, which
52 allows a person to temporarily demonstrate an innovative
53 offering of a product or service under a waiver or
54 suspension of one or more state laws or regulations;

55 (14) "Sandbox program director", the director of the
56 regulatory relief office;

57 (15) "Service", any commercial activity, duty, or
58 labor performed for another person or business.

620.3905. 1. There is hereby created within the
2 department of economic development the regulatory relief
3 office, which shall be administered by the sandbox program
4 director. The sandbox program director shall report to the
5 director of the department and may appoint staff subject to
6 the approval of the director of the department.

7 2. The regulatory relief office shall:

8 (1) Administer the sandbox program pursuant to
9 sections 620.3900 to 620.3930;

10 (2) Act as a liaison between private businesses and
11 applicable agencies that regulate such businesses to
12 identify state laws or regulations that could potentially be
13 waived or suspended under the sandbox program;

14 (3) Consult with each applicable agency; and

15 (4) Establish a program to enable a person to obtain
16 legal protections and monitored access to the market in the
17 state to demonstrate an innovative product or service
18 without obtaining a license or other authorization that
19 might otherwise be required.

20 3. The regulatory relief office may:

21 (1) Review state laws and regulations that may
22 unnecessarily inhibit the creation and success of new
23 companies or industries and provide recommendations to the
24 governor and the general assembly on modifying or repealing
25 such state laws and regulations;

26 (2) Create a framework for analyzing the risk level of
27 the health, safety, and financial well-being of consumers
28 related to permanently removing or temporarily waiving laws
29 and regulations inhibiting the creation or success of new
30 and existing companies or industries;

31 (3) Propose and enter into reciprocity agreements
32 between states that use or are proposing to use similar
33 regulatory sandbox programs as described in sections
34 620.3900 to 620.3930, provided that such reciprocity
35 agreement is supported by a majority vote of the advisory
36 committee and the regulatory relief office is directed by an
37 order of the governor to pursue such reciprocity agreement;

38 (4) Enter into agreements with or adopt best practices
39 of corresponding federal regulatory agencies or other states
40 that are administering similar programs;

41 (5) Consult with businesses in the state about
42 existing or potential proposals for the sandbox program; and

43 (6) In accordance with the provisions of chapter 536
44 and the provisions of sections 620.3900 to 620.3930, make
45 rules regarding the administration of the sandbox program,
46 including making rules regarding the application process and
47 the reporting requirements of sandbox participants. Any
48 rule or portion of a rule, as that term is defined in
49 section 536.010, that is created under the authority
50 delegated in this section shall become effective only if it
51 complies with and is subject to all of the provisions of
52 chapter 536 and, if applicable, section 536.028. This

section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

4. (1) The regulatory relief office shall create and maintain on the department's website a web page that invites residents and businesses in the state to make suggestions regarding laws and regulations that could be modified or eliminated to reduce the regulatory burden on residents and businesses in the state.

(2) On at least a quarterly basis, the regulatory relief office shall compile the results of suggestions from the web page created pursuant to subdivision (1) of this subsection and provide a written report to the governor and the general assembly that describes the most common suggestions.

(3) In creating the report described in subdivision (2) of this subsection, the regulatory relief office:

(a) Shall ensure that the private information of residents and businesses that make suggestions on the web page is not made public; and

(b) May evaluate the suggestions and provide analysis and suggestions regarding which state laws and regulations could be modified or eliminated to reduce the regulatory burden on residents and businesses in the state while still protecting consumers.

5. (1) By October first of each year, the department shall submit an annual report to the governor and the general assembly, which shall include:

84 (a) Information regarding each participant in the
85 sandbox program, including industries represented by each
86 participant and the anticipated or actual cost savings that
87 each participant experienced;

88 (b) The anticipated or actual benefit to consumers
89 created by each demonstration in the sandbox program;

90 (c) Recommendations regarding any laws or regulations
91 that should be permanently modified or repealed;

92 (d) Information regarding any health and safety events
93 related to the activities of a participant in the sandbox
94 program; and

95 (e) Recommendations for changes to the sandbox program
96 or other duties of the regulatory relief office.

97 (2) The department may provide an interim report from
98 the sandbox program director to the governor and general
99 assembly on specific, time-sensitive issues for the
100 functioning of the sandbox program, for the health and
101 safety of consumers, for the success of participants in the
102 program, and for other issues of urgent need.

620.3910. 1. There is hereby created the "General
2 Regulatory Sandbox Program Advisory Committee", to be
3 composed of the following members:

4 (1) The director of the Missouri department of
5 economic development;

6 (2) The director of the Missouri department of
7 commerce and insurance;

8 (3) The attorney general or his or her designee;

9 (4) A member of the public or of an institution of
10 higher education, to be appointed by the governor;

11 (5) A member of the public or of an institution of
12 higher education, to be appointed by the speaker of the
13 house of representatives;

14 (6) A member of the public or of an institution of
15 higher education, to be appointed by the president pro
16 tempore of the senate;

17 (7) One member of the house of representatives, to be
18 appointed by the speaker of the house of representatives; and

19 (8) One member of the senate, to be appointed by the
20 president pro tempore of the senate.

21 2. (1) Advisory committee members shall be appointed
22 to a four-year term. Members who cease holding elective
23 office shall be replaced by the speaker of the house of
24 representatives or the president pro tempore of the senate,
25 as applicable. The sandbox program director may establish
26 the terms of initial appointments so that approximately half
27 of the advisory committee is appointed every two years.

28 (2) The sandbox program director shall select a
29 chairperson of the advisory committee every two years.

30 (3) No appointee of the governor, speaker of the house
31 of representatives, or president pro tempore of the senate
32 may serve more than two complete terms.

33 3. A majority of the advisory committee shall
34 constitute a quorum for the purpose of conducting business,
35 and the action of a majority of a quorum shall constitute
36 the action of the advisory committee, except as provided in
37 subsection 3 of this section.

38 4. The advisory committee may, at its own discretion,
39 meet to override a decision of the regulatory relief office
40 on the admission or denial of an applicant to the sandbox
41 program, provided such override is decided with a majority
42 vote of the members of the advisory committee, and further
43 provided that such vote shall be taken within ten business
44 days of the regulatory relief office's decision.

45 5. The advisory committee shall advise and make
46 recommendations to the regulatory relief office on whether
47 to approve applications to the sandbox program pursuant to
48 section 620.3915.

49 6. The regulatory relief office shall provide
50 administrative staff support for the advisory committee.

51 7. The members of the advisory committee shall serve
52 without compensation, but may be reimbursed for any actual
53 and necessary expenses incurred in the performance of the
54 advisory committee's official duties.

55 8. Meetings of the advisory committee shall not be
56 considered public meetings for the purposes of chapter 610.

620.3915. 1. An applicant for the sandbox program
2 shall provide to the regulatory relief office an application
3 in a form prescribed by the regulatory relief office that:

4 (1) Confirms the applicant is subject to the
5 jurisdiction of the state;

6 (2) Confirms the applicant has established physical
7 residence or a virtual location in the state from which the
8 demonstration of an innovative offering will be developed
9 and performed, and where all required records, documents,
10 and data will be maintained;

11 (3) Contains relevant personal and contact information
12 for the applicant, including legal names, addresses,
13 telephone numbers, email addresses, website addresses, and
14 other information required by the regulatory relief office;

15 (4) Discloses criminal convictions of the applicant or
16 other participating personnel, if any; and

17 (5) Contains a description of the innovative offering
18 to be demonstrated, including statements regarding:

19 (a) How the innovative offering is subject to
20 licensing, legal prohibition, or other authorization
21 requirements outside of the sandbox program;

22 (b) Each law or regulation that the applicant seeks to
23 have waived or suspended while participating in the sandbox
24 program;

25 (c) How the innovative offering would benefit
26 consumers;

27 (d) How the innovative offering is different from
28 other innovative offerings available in the state;

29 (e) What risks might exist for consumers who use or
30 purchase the innovative offering;

31 (f) How participating in the sandbox program would
32 enable a successful demonstration of the innovative offering
33 of an innovative product or service;

34 (g) A description of the proposed demonstration plan,
35 including estimated time periods for beginning and ending
36 the demonstration;

37 (h) Recognition that the applicant will be subject to
38 all laws and regulations pertaining to the applicant's
39 innovative offering after the conclusion of the
40 demonstration;

41 (i) How the applicant will end the demonstration and
42 protect consumers if the demonstration fails;

43 (j) Lists each applicable agency, if any, that the
44 applicant knows regulates the applicant's business; and

45 (k) Provides any other required information as
46 determined by the regulatory relief office.

47 2. An applicant shall remit to the regulatory relief
48 office an application fee of five thousand dollars per
49 application for each innovative offering.

50 3. An applicant shall file a separate application for
51 each innovative offering that the applicant wishes to
52 demonstrate.

53 4. An applicant for the sandbox program may contact
54 the regulatory relief office to request a consultation
55 regarding the sandbox program before submitting an
56 application. The regulatory relief office may provide
57 assistance to an applicant in preparing an application for
58 submission.

59 5. (1) After an application is filed, the regulatory
60 relief office shall:

61 (a) Consult with each applicable agency that regulates
62 the applicant's business regarding whether more information
63 is needed from the applicant; and

64 (b) Seek additional information from the applicant
65 that the regulatory relief office determines is necessary.

66 (2) No later than five business days after the day on
67 which a completed application is received by the regulatory
68 relief office, the regulatory relief office shall:

69 (a) Review the application and refer the application
70 to each applicable agency that regulates the applicant's
71 business; and

72 (b) Provide to the applicant:

73 a. An acknowledgment of receipt of the application;
74 and

75 b. The identity and contact information of each
76 applicable agency to which the application has been referred
77 for review.

78 (3) No later than thirty days after the day on which
79 an applicable agency receives a completed application for
80 review, the applicable agency shall provide a written report

81 to the sandbox program director with the applicable agency's
82 findings. Such report shall:

83 (a) Describe any identifiable, likely, and significant
84 harm to the health, safety, or financial well-being of
85 consumers that the relevant law or regulation protects
86 against; and

87 (b) Make a recommendation to the regulatory relief
88 office that the applicant either be admitted or denied
89 entrance into the sandbox program.

90 (4) An applicable agency may request an additional
91 five business days to deliver the written report required by
92 subdivision (3) of this subsection by providing notice to
93 the sandbox program director, which request shall
94 automatically be granted. An applicable agency may only
95 request one extension per application.

96 (5) If an applicable agency recommends an applicant
97 under this section be denied entrance into the sandbox
98 program, the written report required by subdivision (3) of
99 this subsection shall include a description of the reasons
100 for such recommendation, including why a temporary waiver or
101 suspension of the relevant laws or regulations would
102 potentially significantly harm the health, safety, or
103 financial well-being of consumers or the public and the
104 assessed likelihood of such harm occurring.

105 (6) If an applicable agency determines that the
106 consumer's or public's health, safety, or financial well-
107 being can be protected through less restrictive means than
108 the existing relevant laws or regulations, the applicable
109 agency shall provide a recommendation of how that can be
110 achieved.

111 (7) If an applicable agency fails to deliver the
112 written report required by subdivision (3) of this

subsection, the sandbox program director shall assume that the applicable agency does not object to the temporary waiver or suspension of the relevant laws or regulations for an applicant seeking to participate in the sandbox program.

6. (1) Notwithstanding any provision of this section to the contrary, an applicable agency may, by written notice to the regulatory relief office:

(a) Reject an application, provided such rejection occurs within thirty days after the day on which the applicable agency receives a complete application for review, or within thirty-five days if an extension has been requested by the applicable agency, if the applicable agency determines, in the applicable agency's sole discretion, that the applicant's offering fails to comply with standards or specifications:

a. Required by federal rule or regulation; or

b. Previously approved for use by a federal agency; or

(b) Reject an application preliminarily approved by the regulatory relief office, if the applicable agency:

a. Recommends rejection of the application in the applicable agency's written report submitted pursuant to subdivision (3) of subsection 5 of this section; and

b. Provides in the written notice submitted pursuant to subdivision (3) of subsection 5 of this section a description of the applicable agency's reasons why approval of the application would create a substantial risk of harm to the health or safety of the public, or create unreasonable expenses for taxpayers in the state.

(2) If an applicable agency rejects an application on a non-preliminary basis pursuant to subdivision (1) of this subsection, the regulatory relief office may not approve the application.

145 7. (1) The sandbox program director shall provide all
146 applications and associated written reports to the advisory
147 committee upon receiving a written report from an applicable
148 agency.

149 (2) The sandbox program director may call the advisory
150 committee to meet as needed, but not less than once per
151 quarter if applications are available for review.

152 (3) After receiving and reviewing the application and
153 each associated written report, the advisory committee shall
154 provide to the sandbox program director the advisory
155 committee's recommendation as to whether or not the
156 applicant should be admitted as a sandbox participant.

157 (4) As part of the advisory committee's review of each
158 report, the advisory committee shall use criteria used by
159 applicable agencies to evaluate applications.

160 8. The regulatory relief office shall consult with
161 each applicable agency and the advisory committee before
162 admitting an applicant into the sandbox program. Such
163 consultation may include seeking information about whether:

164 (1) The applicable agency has previously issued a
165 license or other authorization to the applicant; and

166 (2) The applicable agency has previously investigated,
167 sanctioned, or pursued legal action against the applicant.

168 9. In reviewing an application under this section, the
169 regulatory relief office and applicable agencies shall
170 consider whether:

171 (1) A competitor to the applicant is or has been a
172 sandbox participant and, if so, weigh that as a factor in
173 favor of allowing the applicant to also become a sandbox
174 participant;

175 (2) The applicant's plan will adequately protect
176 consumers from potential harm identified by an applicable
177 agency in the applicable agency's written report;

178 (3) The risk of harm to consumers is outweighed by the
179 potential benefits to consumers from the applicant's
180 participation in the sandbox program; and

181 (4) Certain state laws or regulations that regulate an
182 innovative offering should not be waived or suspended even
183 if the applicant is approved as a sandbox participant,
184 including applicable anti-fraud or disclosure provisions.

185 10. An applicant shall become a sandbox participant if
186 the regulatory relief office approves the application for
187 the sandbox program and enters into a written agreement with
188 the applicant describing the specific laws and regulations
189 that are waived or suspended as part of participation in the
190 sandbox program. Notwithstanding any other provision of
191 this section to the contrary, the regulatory relief office
192 may not enter into a written agreement with an applicant
193 that exempts the applicant from any income, property, or
194 sales tax liability unless such applicant otherwise
195 qualifies for an exemption from such tax.

196 11. (1) The sandbox program director may deny at his
197 or her sole discretion any application submitted under this
198 section for any reason, including if the sandbox program
199 director determines that the preponderance of evidence
200 demonstrates that suspending or waiving enforcement of a law
201 or regulation would cause significant risk of harm to
202 consumers or residents of the state.

203 (2) If the sandbox program director denies an
204 application submitted under this section, the regulatory
205 relief office shall provide to the applicant a written

206 description of the reasons for not allowing the applicant to
207 become a sandbox participant.

208 (3) The denial of an application submitted under this
209 section shall not be subject to judicial or administrative
210 review.

211 (4) The acceptance or denial of an application
212 submitted under this section may be overridden by an
213 affirmative vote of a majority of the advisory committee at
214 the discretion of the advisory committee, provided such vote
215 shall take place within ten business days of the sandbox
216 program director's decision.

217 (5) The sandbox program director shall deny an
218 application for participation in the sandbox program if the
219 applicant or any person who seeks to participate with the
220 applicant in demonstrating an innovative offering has been
221 convicted, entered into a plea of nolo contendere, or
222 entered a plea of guilty or nolo contendere held in
223 abeyance, for any crime involving significant theft, fraud,
224 or dishonesty if the crime bears a significant relationship
225 to the applicant's or other participant's ability to safely
226 and competently participate in the sandbox program.

227 12. When an applicant is approved for participation in
228 the sandbox program, the sandbox program director may
229 provide notice of the approval to competitors of the
230 applicant and to the general public.

231 13. Applications to participate in the sandbox program
232 shall be considered public records for the purposes of
233 chapter 610, provided, however, that any information
234 contained in such applications that constitutes proprietary
235 or confidential trade secrets shall not be subject to
236 disclosure pursuant to chapter 610.

620.3920. 1. If the regulatory relief office approves an application pursuant to section 620.3915, the sandbox participant shall have twenty-four months after the day on which the application was approved to demonstrate the innovative offering described in the sandbox participant's application.

2. An innovative offering that is demonstrated within the sandbox program shall only be available to consumers who are residents of the state. No law or regulation may be waived or suspended if waiving or suspending such law or regulation would prevent a consumer from seeking restitution in the event that the consumer is harmed.

3. Nothing in sections 620.3900 to 620.3930 shall restrict a sandbox participant who holds a license or other authorization in another jurisdiction from acting in accordance with such license or other authorization in that jurisdiction.

4. A sandbox participant shall be deemed to possess an appropriate license or other authorization under the laws of this state for the purposes of any provision of federal law requiring licensure or other authorization by the state.

5. (1) During the demonstration period, a sandbox participant shall not be subject to the enforcement of state laws or regulations identified in the written agreement between the regulatory relief office and the sandbox participant.

(2) A prosecutor shall not file or pursue charges pertaining to any action related to a law or regulation identified in the written agreement between the regulatory relief office and the sandbox participant and that occurs during the demonstration period; and

32 (3) A state agency may not file or pursue any punitive
33 action against a sandbox participant, including a fine or
34 license suspension or revocation, for the violation of a law
35 or regulation that is identified as being waived or
36 suspended in the written agreement between the regulatory
37 relief office and the sandbox participant and that occurs
38 during the demonstration period.

39 6. Notwithstanding any provision of this section to
40 the contrary, a sandbox participant shall not have immunity
41 related to any criminal offense committed during the sandbox
42 participant's participation in the sandbox program.

43 7. By written notice, the regulatory relief office may
44 end a sandbox participant's participation in the sandbox
45 program at any time and for any reason, including if the
46 sandbox program director determines that a sandbox
47 participant is not operating in good faith to bring an
48 innovative offering to market; provided, however, that the
49 sandbox program director's decision may be overridden by an
50 affirmative vote of a majority of the members of the
51 advisory committee.

52 8. The regulatory relief office and regulatory relief
53 office's employees shall not be liable for any business
54 losses or the recouping of application expenses or other
55 expenses related to the sandbox program, including for:

56 (1) Denying an applicant's application to participate
57 in the sandbox program for any reason; or

58 (2) Ending a sandbox participant's participation in
59 the sandbox program at any time and for any reason.

620.3925. 1. Before demonstrating an innovative
2 offering to a consumer, a sandbox participant shall disclose
3 the following information to the consumer:

4 (1) The name and contact information of the sandbox
5 participant;

6 (2) A statement that the innovative offering is
7 authorized pursuant to the sandbox program and, if
8 applicable, that the sandbox participant does not have a
9 license or other authorization to provide an innovative
10 offering under state laws that regulate offerings outside of
11 the sandbox program;

12 (3) A statement that specific rules and regulations
13 have been waived for the sandbox participant for the
14 duration of its demonstration in the sandbox program, with a
15 summary of such waived rules and regulations;

16 (4) A statement that the innovative offering is
17 undergoing testing and may not function as intended, and may
18 expose the consumer to certain risks as identified by the
19 applicable agency's written report;

20 (5) A statement that the provider of the innovative
21 offering is not immune from civil liability for any losses
22 or damages caused by the innovative offering;

23 (6) A statement that the provider of the innovative
24 offering is not immune from criminal prosecution for
25 violations of state law or regulations that are not
26 suspended or waived as allowed within the sandbox program;

27 (7) A statement that the innovative offering is a
28 temporary demonstration that may be discontinued at the end
29 of the demonstration period;

30 (8) The expected end date of the demonstration period;
31 and

32 (9) A statement that a consumer may contact the
33 regulatory relief office and file a complaint regarding the
34 innovative offering being demonstrated, providing the

35 regulatory relief office's telephone number, email address,
36 and website address where a complaint may be filed.

37 2. The disclosures required by subsection 1 of this
38 section shall be provided to a consumer in a clear and
39 conspicuous form and, for an internet or application-based
40 innovative offering, a consumer shall acknowledge receipt of
41 the disclosure before any transaction may be completed.

42 3. The regulatory relief office may require that a
43 sandbox participant make additional disclosures to a
44 consumer.

620.3930. 1. At least thirty days before the end of
2 the twenty-four month demonstration period, a sandbox
3 participant shall:

4 (1) Notify the regulatory relief office that the
5 sandbox participant will exit the sandbox program and
6 discontinue the sandbox participant's demonstration after
7 the day on which the twenty-four month demonstration period
8 ends; or

9 (2) Seek an extension pursuant to subsection 4 of this
10 section.

11 2. If the regulatory relief office does not receive
12 notification as required by subsection 1 of this section,
13 the demonstration period shall end at the end of the twenty-
14 four month demonstration period.

15 3. If a demonstration includes an innovative offering
16 that requires ongoing services or duties beyond the twenty-
17 four month demonstration period, the sandbox participant may
18 continue to demonstrate the innovative offering, but shall
19 be subject to enforcement of the laws or regulations that
20 were waived or suspended as part of the sandbox program.

21 4. (1) Not later than thirty days before the end of
22 the twenty-four month demonstration period, a sandbox

23 participant may request an extension of the demonstration
24 period.

25 (2) The regulatory relief office shall grant or deny a
26 request for an extension by the end of the twenty-four month
27 demonstration period.

28 (3) The regulatory relief office may grant an
29 extension for not more than twelve months after the end of
30 the demonstration period.

31 (4) Sandbox participants may apply for additional
32 extensions in accordance with the criteria used to assess
33 their initial application.

34 5. (1) A sandbox participant shall retain records,
35 documents, and data produced in the ordinary course of
36 business regarding an innovative offering demonstrated in
37 the sandbox program for twenty-four months after exiting the
38 sandbox program.

39 (2) The regulatory relief office may request relevant
40 records, documents, and data from a sandbox participant and,
41 upon the regulatory relief office's request, the sandbox
42 participant shall make such records, documents, and data
43 available for inspection by the regulatory relief office.

44 6. If a sandbox participant ceases to provide an
45 innovative offering before the end of a demonstration
46 period, the sandbox participant shall notify the regulatory
47 relief office and each applicable agency and report on
48 actions taken by the sandbox participant to ensure consumers
49 have not been harmed as a result.

50 7. The regulatory relief office shall establish
51 quarterly reporting requirements for each sandbox
52 participant, including information about any consumer
53 complaints.

54 8. (1) The sandbox participant shall notify the
55 regulatory relief office and each applicable agency of any
56 incidents that result in harm to the health, safety, or
57 financial well-being of a consumer. The parameters for such
58 incidents that shall be reported shall be laid out in the
59 written agreement between the applicant and the regulatory
60 relief office.

61 (2) If a sandbox participant fails to notify the
62 regulatory relief office and each applicable agency of any
63 incidents required to be reported, or the regulatory relief
64 office or an applicable agency has evidence that significant
65 harm to a consumer has occurred, the regulatory relief
66 office may immediately remove the sandbox participant from
67 the sandbox program.

68 9. No later than thirty days after the day on which a
69 sandbox participant exits the sandbox program, the sandbox
70 participant shall submit a written report to the regulatory
71 relief office and each applicable agency describing an
72 overview of the sandbox participant's demonstration.
73 Failure to submit such a report will result in the sandbox
74 participant and any entity that later employs a member of
75 the leadership team of the sandbox participant from future
76 participation in the sandbox program. Such report shall
77 include any:

- 78 (1) Incidents of harm to consumers;
79 (2) Legal action filed against the sandbox participant
80 as a result of the participant's demonstration; or
81 (3) Complaints filed with an applicable agency as a
82 result of the sandbox participant's demonstration.

83 10. No later than thirty days after the day on which
84 an applicable agency receives the quarterly report required
85 by subsection 7 of this section or a written report from a

86 sandbox participant as required by subsection 9 of this
87 section, the applicable agency shall provide a written
88 report to the regulatory relief office on the demonstration
89 that describes any statutory or regulatory reform the
90 applicable agency recommends as a result of the
91 demonstration.

92 11. The regulatory relief office may remove a sandbox
93 participant from the sandbox program at any time if the
94 regulatory relief office determines that a sandbox
95 participant has engaged in, is engaging in, or is about to
96 engage in any practice or transaction that is in violation
97 of sections 620.3900 to 620.3930 or that constitutes a
98 violation of a law or regulation for which suspension or
99 waiver has not been granted pursuant to the sandbox program.

✓